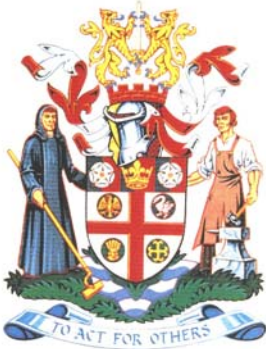


Selby District Council



Agenda

Meeting: **Executive**
Date: **5 January 2012**
Time: **4pm**
Venue: **Committee Room**
To: Councillor Mark Crane, Councillor Mrs Gillian Ivey, Councillor
Cliff Lunn, Councillor John Mackman and Councillor Chris
Metcalf

1. Apologies for absence

2. Minutes

The Executive is asked to approve the minutes of the meeting held on 1 December 2011. Pages 3 to 7 .

3. Disclosures of Interest

Members of the Executive should disclose personal or prejudicial interest(s) in any item on this agenda.

4. Housing Rents and Miscellaneous Charges 2012/13 – Key Decision

Report E/11/47 asks the Executive to consider proposals for Housing Revenue Account rent levels in accordance with Central Government's policy on rent restructuring. Pages 8 to 10.

5. Green Car Scheme

Report E/11/48 asks the Executive to consider the Introduction of a 'Green Car' Employee Lease Scheme as part of the Authority's Employee Benefits Package. Pages 11 - 16.

6. Private Session

That in accordance with Section 100(A)(4) of the Local Government Act 1972, in view of the nature of the business to be transacted, the meeting be not open to the Press and public during discussion of the following item as there will be disclosure of exempt information as defined in Section 100(1) of the Act as described in paragraphs 4 and 2 of Part 1 of Schedule 12(A) of the Act.

7. Sale of Land at Portholme Road Selby – Key Decision

Report E/11/49 asks the Executive to consider the options regarding the sale of land at Portholme Road Selby. Pages 17 - 20.

M Connor
Chief Executive

Dates of next meetings
Executive Briefing 19 January 2012
2 February 2012
Executive Briefing 16 February 2012

Enquiries relating to this agenda, please contact Glenn Shelley on:

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Selby District Council



Minutes

Executive

Venue:	Committee Room, Civic Centre, Selby
Date:	1 December 2011
Present:	Councillors M Crane (Chair), Mrs G Ivey C Lunn and J Mackman
Apologies for Absence:	C Metcalfe
Officers present:	Chief Executive, Deputy Chief Executive, Executive Director (S151), Managing Director, Business Manager (ES), Lead Officer Finance, Policy Officer (HG) and Democratic Services Manager.
Public:	0
Press:	1

NOTE: Only minute number 69 is subject to call in. The deadline for call-in is 5pm 13 December 2011. Decisions not called in may be implemented on 16 December 2011.

63. Disclosure of Interest

There were no disclosures of interest.

64. Minutes

The minutes of the meetings on 3 and 24 November 2011 were submitted. With regard to the minutes of the 24 November 2011, Councillor Mackman suggested a minor amendment to minute 62 (Selby District Council Core Strategy). Recommendation (ii) should read:

- (ii) To ask the Council's Consultants to provide evidence of the sustainability of housing growth on a range of 450 to 465 dwellings per annum over the plan period.

This amendment was agreed. Subject to the above amendment, the minutes were agreed as a correct record and signed by the Chair.

65. SDC Core Strategy – Key Decision

Councillor John Mackman presented report E/11/43. The report provided further information from the Council's Consultants regarding the sustainability of housing growth on a range of 450 to 465 dwellings per year over the Plan period.

The Executive also discussed the recommendations made by Policy Review Committee at its meeting on the 24 November 2011. The Executive noted the view of Policy Review Committee that changes should be approved by the Executive rather than an individual councillor but resolved to amend their recommendation to read:

'To authorise the Lead Executive Councillor for Place Shaping, after consultation with the Managing Director, Access Selby, to agree any minor or consequential amendments to the Core Strategy necessary to reflect the principle issues determined by the Executive in relation to overall housing numbers, deliverability of development in Tadcaster and Green Belt Policy.'

The Executive discussed the recommendation from Policy Review Committee regarding the shortfall of housing at Tadcaster. The Executive reaffirmed their view that indicating Plan A as their preferred option for delivering the Core Strategy in Tadcaster was the most appropriate course of action and it was agreed that the recommendation would remain as originally approved by the Executive.

Councillor Mackman highlighted the information received from the Council's Consultants requested by the Executive at its previous meeting. The information was in respect of the sustainability of housing growth on a range of 450 to 465 dwellings per year over the Plan period. The Executive were satisfied that the information received provided a strong case for the level of housing growth to be set at an average of 450 dwellings per annum over the Plan period.

Councillor Mackman raised the issue of phasing the level of housing growth to take account of the current economic climate. He suggested that phasing should be as below:

- 6 years at 400 dwellings per annum
- 5 years at 460 dwellings per annum
- 5 years at 500 dwellings per annum

The Executive approved the phasing as suggested.

Resolved:

- (i) To note the supplementary information from the Council's Consultants:**
- (ii) To amend recommendation (iii) as approved at the Executive meeting on the 24 November 2011 to read:**

'To authorise the Lead Executive Councillor for Place Shaping, after consultation with the Managing Director, Access Selby, to agree any minor or consequential amendments to the Core Strategy necessary to reflect the principle issues determined by the Executive in relation to overall housing numbers, deliverability of development in Tadcaster and Green Belt Policy.'

Recommended to Council:

- (iii) To approve the figure of an average of 450 dwellings per annum as the sustainable level of housing growth over the Plan period;**
- (iv) To agree the phasing of sustainable housing growth as follows;**
 - 6 years at 400 dwellings per annum**
 - 5 years at 460 dwellings per annum**
 - 5 years at 500 dwellings per annum**
- (v) To determine any Proposed Changes to the Core Strategy as proposed in accordance with (ii) above.**

66. Draft Budget and Medium Term Financial Plan – Key Decision

Councillor Cliff Lunn presented report E/11/44 which gave the Executive detailed information on the draft revenue budget and capital programme for 2012/13 to 2014/15. The budget had been established against a back drop of significant financial constraints and future volatility arising from the continuing economic uncertainty, the Government's 'Resource Review', and the reform of the Housing Subsidy System (self-financing).

The Executive discussed the financial impact of the Council Tax freeze and the Government grant which would be available to offset the resulting shortfall in funding. Councillor Lunn explained that it was likely that the grant would only be available for one year.

The Executive Director S151 responded to questions regarding the future budgets of both Access Selby and The Core, details were also provided of the Council's partnership arrangements.

Resolved:

- (i) To endorse the planned actions of the Access Selby Board to address their savings requirements;**
- (ii) To identify savings to meet the required savings targets from 2013/14;**

Recommended to Council:

- (iii) To approve, subject to comments from the Policy Review Committee, the draft budgets and bids;**
- (iv) To vary the Medium Term Financial Strategy and approve a draw down of revenue balances to support a Council Tax freeze and defer the need for further savings in 2012/13.**

Reasons for decision:

To ensure the Executive's budget proposals are fully funded for 2012/13.

67. Selby District Council's response to the Boundary Commission for England's (BCE) Parliamentary Constituency Review

Councillor Mark Crane presented report E/11/45 to the Executive which detailed the Parliamentary boundary changes and views of Policy Review Committee to help the Executive formulate their response.

Councillor Crane highlighted that the constituency boundaries within North Yorkshire would meet the new legislative requirements without the need for change. The proposed changes in North Yorkshire, which adversely affected Selby District, were as a result of the need to help West Yorkshire constituencies meet the legislative requirements.

Resolved:

To approve appendix B in the report as the Council's response to the Consultation.

Reasons for decision:

To ensure the Council formulates an appropriate response to the consultation.

68. Private Session

That in accordance with Section 100(A)(4) of the Local Government Act 1972, in view of the nature of the business to be transacted, the meeting be not open to the Press and Public during discussion of the

following item as there will be disclosure of exempt information as defined in Section 100(1) of the Act as described in paragraphs 4 and 2 of Part 1 of Schedule 12(A) of the Act.

69. CCTV Provision – Key Decision

Councillor Gillian Ivey presented report E/11/46 which made a final recommendation on the procurement of the Council's CCTV provision and barrier control at Market Place, Selby.

The Executive agreed that any decommissioned cameras would be removed as would any associated street furniture.

Resolved:

- (i) To procure the Council's CCTV Provision and Barrier Control through the open market**
- (ii) To remove any decommissioned cameras and associated street furniture.**

Reasons for decision:

Procuring the system on the open market would maximise the opportunity to get the best price for monitoring and maintenance of the district's CCTV system and operation of the Selby Market Place barrier control.

The meeting closed at 5.15pm

Selby District Council

REPORT

Reference: E/11/47

Public - Item 4



To: The Executive
Date: 5 January 2012
Status: Key Decision
Report Published: 23 December 2011
Author: Kevin Ross – Senior Finance Officer
Executive Member: Cllr C Lunn
Lead Officer: Karen Iveson, Executive Director (and S151)

Title: Housing Rents 2012/13

Summary:

This report presents proposals for Housing Revenue Account rent levels in accordance with Central Government's policy on rent restructuring. Based on the Government's formula for rent increases, an average increase of 7.9% is proposed for 2012/13.

Recommendation:

- i. **The Executive approve the proposed 7.9% average rent increase for 2012/13.**

Reasons for recommendation

To allow rent levels to be set in advance of the coming financial year in compliance with Government policy.

Rent increases must be complied with in line with policy, in order to meet rent convergence targets and HRA reform settlement calculations.

1. Introduction and background

- 1.1 Under the Government's rent restructuring policy, formula data is provided by the Department for Communities and Local Government (DCLG) to ensure similar rents for similar properties in similar areas, are calculated over a transitional period. When convergence is achieved Housing Associations and Local

Authorities will use the same formula for setting rent levels, which will ensure that tenants pay similar rents for similar properties regardless of whether the landlord is a Registered Social Landlord (RSL) or a Local Authority.

- 1.2 2012/13 will be the eleventh year of the transitional period during which actual rents are moving towards formula (target) rent levels under the rent-restructuring scheme.
- 1.3 The 2012/13 draft housing subsidy determination sees the transitional period for convergence remaining up to 2015/16.
- 1.4 The new arrangements for HRA self financing will see the Council keep all of its rent income from 2012/13 onwards, in return for taking on around £60m Government housing debt. It is expected that rent restructuring will continue to be a feature of the new system and that Councils will not be free to set their own rents.

2. The Report

- 2.1 The 2011/12 weekly average rent, set on a 48 week basis is £70.15.
- 2.2 Formula rent increases are calculated using the previous years formula rent, increased by Retail Price Index (RPI) + ½%. RPI for the formula is taken at September of the preceding year i.e. 5.6% for September 2011.
- 2.3 The maximum any rent can increase follows the principal of Retail Price Index (RPI) + ½% + £2 per week for the remaining four years of the rent-restructuring period. RPI at 5.6% has been used per CLG guidance for 2012/13 rent calculations and 3.5% is assumed for 2013/14 onwards.

2.4 Average Rent Charges on a 48 week basis

Year	2012/13	2013/14	2014/15
Actual Rent £	75.69	79.87	84.18
% Increase	7.9	5.5	5.4
Formula Rent £	79.97	83.17	86.50
% Increase / (Decrease)	6.1	4.0	4.0
Difference Actual vs Formula £	4.28	3.30	2.32

- 2.5 The above table shows the formula rent against the actual rent to be charged to tenants. Formula rent is the rent target for our dwellings to meet to be comparable with Registered Social Landlords. Each year of rent restructuring policy the gap will narrow to meet convergence.
- 2.6 Following this DCLG guidance there will be 841 properties still not converging with the Formula Rent, of these, 268 will be lower than formula by more than 5%.
- 2.7 Although the Housing Subsidy determination is in draft format it is not anticipated that the calculation data will be revised. Any changes would have a fundamental impact on the HRA self financing settlement. A high rent increase has been

factored in to the settlement calculations using RPI data. The final version will not be available until January / February 2012.

- 2.8 Any increase in rents will impact on tenants, although approximately 2002 tenants receive benefits and any increase in rent will have a corresponding increase in benefit. Any lower income households not currently receiving benefit may be entitled to some benefit as a result of the rent increase.

3. Legal/Financial Controls and other Policy matters

3.1 Legal Issues

There are no legal issues as a result of this report.

3.2 Financial Issues

- 3.2.1 The rent yield from the proposals in this report are summarised as follows:

	2011/12	2012/13	2013/14	2014/15
Budgeted Rent (£m)	10,422	11,226	11,780	12,470
Increase (£k)		844	554	690

Under the HRA self financing regime, the Council will keep all its rent collected and no longer has to pay subsidy. Rent generated will be utilised to service the debt incurred and invest in maintaining our housing stock.

4. Conclusion

Approval of the rent increase is fundamental to the continuation of funding of the HRA. A rise of 7.9% is higher than the current level of inflation but is necessary to meet convergence by 2015/16.

Rent increases must be complied with in line with policy, in order to meet rent convergence targets and HRA reform settlement calculations.

5. Background Documents

Accountancy budget management files

Contact Details

Kevin Ross
Senior Finance Officer
Selby District Council
kross@selby.gov.uk

Selby District Council

REPORT

Reference: E/11/48

Public – Item 5



To: The Executive
Date: 5 January 2012
Status: Non Key Decision
Report Published: 23 December 2011
Author: Andrew Crabbe – HR Officer
Executive Member: Councillor Cliff Lunn
Lead Officer: Karen Iveson – Executive Director (s151 Officer)

Title: 'Green Car' Employee Lease Scheme

Summary:

The report sets out details of a 'Green Car' Lease Scheme which would apply to staff as part of the wider Everybody Benefits Scheme already operating within the Council. The Scheme is a salary sacrifice scheme and will aid with recruitment and retention at no direct cost to the Authority. In fact there would be savings to be made by the Authority and staff concerned through reduced national insurance contributions. It would be part of a contract which has been procured and successfully rolled out at NYCC.

Recommendations:

- i. Introduce a 'Green Car' Employee Lease Scheme as part of the Authority's Employee Benefits Package.

Reasons for recommendation

To take advantage of the 'Green Car' lease Scheme for the benefit of employees and the Council.

1. Introduction and background

- 1.1 It is proposed to offer a new salary sacrifice staff benefit scheme, via the Everybody Benefits Employee Benefits Scheme already in operation which provides for child care vouchers and cycle to work salary sacrifice schemes already well supported. The Green Car Lease Scheme enables staff to undertake a private lease of a new low emission car, fully maintained and insured by the provider, (in this case the Company would be Tusker Direct). Staff will pay for the car under salary sacrifice arrangements through a monthly gross salary deduction which means a saving in tax, NI and pension contributions for employees and NI savings for employers.
- 1.2 The Green Lease Car Scheme for staff includes only those cars with limited emissions of 120g co2 or below, so for staff changing from cars with higher emissions which tend to be larger or older, there will be some carbon saving in use. This initiative will not only prove a benefit to our employees but also contribute to the Council's wider efforts to reduce carbon emissions.

2. The Report

Risks to the Authority

- 2.1 The Green Car Lease Scheme is different to the other salary sacrifice schemes currently offered to employees, where the relationship is between the employee and the relevant organisation running the scheme. (ie Childcare Vouchers, Cycles). In the Green Lease Car Scheme, the legal relationship is between SDC and Tusker Direct, and ultimately if anything goes wrong in the lease between the individual employees, the responsibility will be with the employer to sort this out.
- 2.2 Risk of early termination after a six month exclusion period is mitigated by insurance cover paid by the employee. Employees will also sign a legally binding agreement to honour the terms of the lease.
- 2.3 In addition, as a retention tool, the employee is liable to pay a penalty charge should they leave early.
- 2.4 It is proposed that staff would not be able to take advantage of the Scheme if they were currently undergoing restructure or facing possible redundancy 'at risk' status.

Benefits to the Authority

- 2.5 There are benefits from introducing a Scheme such as this which arguably could result in savings to the Authority through anticipated reduced staff turnover.

- 2.6 Also Employer National Insurance savings arising to the Authority would be approximately £384 per person per year (figure provided by NYCC based on their Scheme). This can be utilised to cover any additional internal costs of operating the Scheme, although these are anticipated to be minimal and able to be absorbed within existing workloads.
- 2.7 The Scheme could also impact on the overall carbon reduction targets for the Authority.

Costs/Savings to the individual

- 2.8 Examples of cost per month over a three year period, doing an average of 10k miles per year, to employees are as follows (these prices will fluctuate dependant upon the market conditions of the time):

Car	Gross deduction	Net deduction	Garage Equivalent
Nissan Micra Diesel 1.5dci	275	208	300
Vauxhall Corsa Diesel 1.3cdt	305	229	334
Toyota Yaris Diesel 1.4d	330	249	360
BMW Series 1 Diesel 118d	429	327	467

- 2.9 All the above include finance, road assistance, maintenance, insurances, irrecoverable VAT and Employers Class 1A NI. As can be seen from the costs highlighted above a 20% saving is achieved through salary sacrifice arrangements for a normal tax rated tax payer on top of the discounts already available. On average an employee can save £100 per month against a similar garage deal.

3. Legal/Financial Controls and other Policy matters

3.1 Legal Issues

- 3.1.1 There will be contractual issues to consider once negotiations commence with Tusker Direct between all parties concerned (the Authority, the employee and Tusker Direct)

3.2 Financial Issues

- 3.2.1 Assuming that the average salary sacrificed per month is £320 then the following financial implications will result:

No.of Employees	NI Savings pa Av.10.1%	3% Admin.Fee	Total 'Funds' Available	Pension Cost Av. 6%
1	£388	£115	£503	£230
3	£1164	£345	£1509	£690
5	£1940	£575	£2515	£1152
10	£3880	£1150	£5030	£2304

3.2.2 There is potential detriment to employees nearing retirement age if they take on the scheme within 5 years of their retirement – this is explained in detail by North Yorkshire Pensions in the appendix attached.

4. Conclusion

4.1 The Scheme would be seen as an addition to the current Everybody Benefits Scheme at no direct cost to the Authority. The contract would be with Tusker Direct and be part of the contract negotiated through NYCC. We would not expect the take up to be high, based on figures from NYCC, but where staff did take advantage of the Scheme they would save an average of £1200 per annum and the Authority would be able to make savings on NI contributions.

5. Background Documents

None

Appendix: Copy of Pension Advice from North Yorkshire Pension Fund

Contact Details: **Karen Iveson**
Executive Director (s151)
kiveson@selby.gov.uk

PENSION GUIDANCE

A salary sacrifice scheme for a car might have a significant effect on pension benefits for members of the Local Government Pension Scheme (LGPS).

Salary sacrifice schemes are cost effective as they reduce salary for tax, national insurance and pension contributions. This reduction could have an effect on final salary for pension purposes. Under current LGPS rules, pension benefits are based on 'final pensionable pay'. This is normally based on your final year of service or, if your pay has reduced shortly before leaving, you can pick one of the two preceding years to be your final pay period for pension calculations. These are the only two options for calculating 'final pensionable pay' where pay is reduced because of a salary sacrifice scheme.

This rule is applied to all members of the LGPS. North Yorkshire County Council has no discretion to change the way it's applied.

So, if an LGPS member becomes entitled to pension benefits during the last year of a 3 year salary sacrifice agreement, or during the following year, he or she could find the pension benefits they receive for the rest of their life reduced as a result of basing benefits on the 'reduced' final salary due to salary sacrifice. This is, of course, a straight forward decision for a member of staff who is within a few years of normal retirement age. But, in some circumstances, a member might have to leave their job for reasons outside of their control, e.g. Ill health, change in circumstances (perhaps having to move home), redundancy/efficiency departures or death in service.

Under current LGPS regulations, employee contributions are banded - between 5.5% and 7.5% - based on full time equivalent pensionable pay and to move to a higher or lower band, contractual changes must be 'permanent'. As the Salary Sacrifice Car arrangement is for a maximum period of 3 years, this isn't considered permanent and the band will be based on pensionable pay before salary sacrifice. The contributions will, of course, be deducted from pay AFTER salary sacrifice.

Some examples based on 'unreduced' salary of £22,000 per annum and a salary sacrifice arrangement of £4,000.

Mr A aged 38 is coming to the end of a 3 year salary sacrifice arrangement. He has to move away from North Yorkshire and takes a job in the private sector. His LGPS benefits are preserved for his retirement at 65 at the reduced 'salary sacrifice' level of £18,000.

Mr B is 57. He is made redundant within 3 months of the end of the salary sacrifice arrangement. He is entitled to his pension benefits immediately based on previous 12 months' pay – 9 months on 'reduced' salary = £13,500 and 3 months on 'unreduced' salary = £5499 or final pensionable pay of £18,999.pa.

Mrs C is 29. She becomes ill in year 2 of the salary sacrifice arrangement, is unable to work and is awarded ill health retirement benefits. She chooses to have ill health pension based on her 'unreduced' salary from the year immediately preceding the salary sacrifice i.e. 'best of last 3 years' - £22,000. p.a.

The above is a rough guide for illustration purposes only and based on the North Yorkshire County Council understanding of the LGPS regulations as at 31st March 2010. Any future scheme changes might have different effect.

If you require specific information as to how a salary sacrifice scheme might affect your personal Local Government pension benefits, contact Anna Binks, Technical Manager, North Yorkshire Pension Fund on anna.binks@northyorks.gov.uk

North Yorkshire County Council or the North Yorkshire Pension Fund are not allowed by law to provide financial advice and staff should contact an Independent Financial Adviser if this is required.